From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Mon, 9/29/2014 7:16:34 PM
Subject:	Daily Update

Quote of the Day

"Intelligence without ambition is like a bird without wings" – Salvador Dali

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- The day after Bill Gross… Treasuries, Sovereigns, High Grade, EM and HY were all impacted negatively by the headline. Today, US equities are weaker after a solid short covering rally into the close on Friday. There are pro-democracy protests swelling the streets of Hong Kong today. So far, this does not seem to be getting a ton of attention. The quiet story has been the ongoing rally of the US dollar (this is helping Europe and Asia with their monetary policy as a stronger dollar helps their economies without lifting a finger – politicians like that kind of work…). PIMCO had $10bn of redemptions on Friday (yawn…). However, this is a story (with lots of associated rumors) that needs to be monitored. The US continued its bombing campaign of ISIS over-night. Eminis: -11.50 (from -21.50 earlier). 10 year: 2.49%

- Data: Home sales fell again. -1% on the month and -4.1% on the year. However, the data, generally, seems to be coming in at / better than expectations. Fundamentals appear intact for now. Jobs Friday

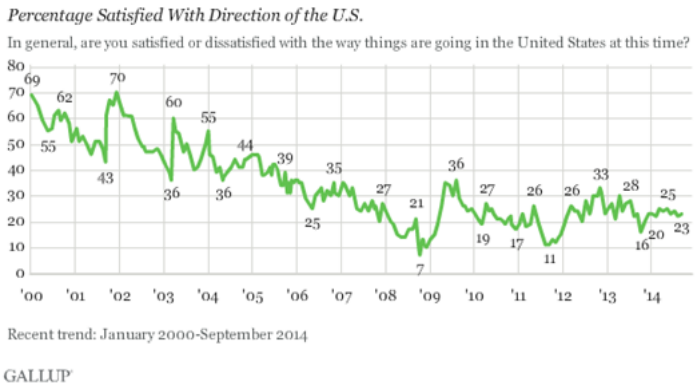
- Credit: Credit markets remained sloppy and generally illiquid on Friday however, the benchmark names continue to trade. Selling pressure remains elevated as HY yields 6.25% ish and loans are now at 5.5% ish. Buyers have not been leaving bids but continue to respond to offers. Some dealers did report buying on Friday by CLO and Fast Money accounts. HY saw a net $250mm of buying in the face of lower prices and $1.3bn of outflows (short covering?). Cash positions appear to be light but excessive redemptions are not being seen at this time. BKC loans are holding in 99 3/8 – 5/8. BKC bonds re wrapped in the mid 98s (1 point below reoffer)

- Chart(s) of the Day

Bank Loan ETF
(someone got caught offsides….)

HY Bond ETF
(same comment as above…)

- Other:
  - Barack Cheney? http://nypost.com/2014/09/25/barack-cheney-hello-darth-vader/
  - Oops… http://www.cbsnews.com/news/obama-u-s-underestimated-rise-of-isis-in-iraq-and-syria/
  - Satisfaction with the direction of the US


Percentage Satisfied With Direction of the U.S.
In general, are you satisfied or dissatisfied with the way things are going in the United States at this time?
80
70
60
50
40
30
20
10
0
69 62 55 70 43 60 36 55 36 44 36 39 25 35 27 21 7 36 19 27 17 26 11 26 33 16 28 20 25 23
'00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14
Recent trend: January 2000-September 2014
GALLUP

- HY: 105 5/16 (-9/16)
- IG: 66 ¾ (+2 7/8)
- CSLLI: -0.40% mtd / 2.56% ytd

Stan Sokolowski
Senior Portfolio Manager, Head of Portfolio Management and Trading
CIFC Asset Management LLC
250 Park Avenue, 4th Floor | New York, NY 10177
☎ (D) +1 212.624.0931 | (C) +1 203.918.3022
✉ ssokolowski@cifc.com | www.cifc.com

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